

REVIEWING CHARITABLE GIVING UNDER ONE BIG BEAUTIFUL BILL ACT OF 2025

Optional Title1 - Charitable gifts and the One Big Beautiful Bill Act (OBBBA)

Here is what you should know about the OBBBA if you wish to support CHARITY. or other charities.

Everyone should strive to make “Tax Smart Gifts” but there are several factors to consider if you want to make maximum impact with your support.

Income Taxes: The OBBBA contained some important information which may effect your support of CHARITY. It is important that donors make gifts to first support the mission of each charitable organization while making “Tax Smart Gifts.”

It is important to divide supporters into five major tax filing categories.

First, single, non-itemizers. Second, single, itemizers. Third, married filing, jointly non-itemizers. Fourth, married filing, jointly itemizers. Fifth, seniors who are either single or married but over age of 70½.

Qualified Charitable Distributions (QCD) from IRA accounts are an easy and tax-efficient way to make immediate impact at CHARITY that may begin at 70½. And will count toward your Required Minimum Distribution when you are at least 73 years old. QCDs reduce your taxable income on any gift amount up to \$108,000 in 2025. Everyone is encouraged to get an IRA checkbook to make IRA-QCD giving simple.

QCD-CGA donors who wish to retain income from their QCD may transfer one-time up to \$54,000 in 2025 to a Charitable Gift Annuity (CGA) and receive fully taxable payments as long as they live.

Those who make gifts but do not itemize are enjoying the benefits of the increase in the standard deductions from the 2017 tax law which has been expanded in the OBBBA.

In 2025 a single person must have deductions over \$15,750 (standard deduction amount) from mostly interest, state and local taxes, and charitable gifts to enjoy any tax benefit from their charitable support.

Married filing jointly donors must have deductions which exceed \$31,500 (standard deduction amount) or \$34,700 if over 65 to receive any income tax relief from your deductions. Think of the standard deduction as the government tax-free income amount and you pay taxes on the amount over this limit.

Non-itemizer deduction. The OBBBA made [permanent](#) the universal non-itemizer charitable deduction of \$1,000 for single files and \$2,000 for joint filers so there is some small relief even if you give \$5,000 or more to your favorite charity and don't itemize otherwise you lose the deduction.

Gift deduction limits. The new tax act also made [permanent](#) the 60% adjusted gross income (AGI) cap on cash contributions. Example, a donor has an AGI of \$100,000 in 2025 they would only be allowed to deduct up to \$60,000 of cash donations this year. If they should give more

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than \$60,000 say \$90,000 then they may carry forward the excess (\$30,000) for up to five additional years unless exhausted sooner.

The limit on gifts of appreciated assets (stocks, bonds, mutual funds and real estate) is still 30% of AGI.

Estate Taxes The estate tax exemption for 2025 is \$13.199 million dollars. So, if a single person with less than \$13,19 in assets dies in 2025 they will pay no Federal Estate Tax. They may pay state estate taxes depending on where they live an all-appropriate probate and legal fees. In 2026 the exemption will increase to \$15,000,000 and be indexed for inflation in future years. The larger exemption is estimated to eliminate over 99.5% of dying American from payment of estate taxes.

New Minimum Charitable Deduction Limits for Itemizers Effective in 2026 you will only be able to itemize donations to the extent the total of all your qualified donations exceeds 0.5% of your Adjusted Gross Income (AGI). Example: your AGI in 2026 is \$100,000 and you gift \$2,000 in qualifying donations. 0.5% of your AGI is \$500 which means you may only deduct \$1,500 (\$2,000 - \$500). The government reduces the tax benefit of your support.

Gifting suggestions: Consider bunching your gifts to larger amount and gift every other year. This way your charitable deductions may be large enough (over the standard deduction amount) to itemize your taxes.

Consider gifting appreciated assets (stock, bonds, real estate) as you will pay no tax on the capital gain of gifted assets and receive a fair market value deduction.

If you want to make a large gift today but spread the impact over several charities with future gifts consider establishing a Donor Advised Fund. You will receive the deduction and reduce your taxes in the year of your gift as you distribute smaller amounts in future years.

For senior givers consider using Qualified Charitable Distributions for traditional IRA accounts. While you receive no charitable deduction there is no tax reporting of your income.

For more information contact: